

SENATE BILL NO. 101

February 26, 2025, Introduced by Senators SINGH, MOSS and MCBROOM and referred to Committee on Oversight.

A bill to amend 1978 PA 472, entitled

"An act to regulate political activity; to regulate lobbyists, lobbyist agents, and lobbying activities; to require registration of lobbyists and lobbyist agents; to require the filing of reports; to prescribe the powers and duties of the department of state; to prescribe penalties; and to repeal certain acts and parts of acts,"

by amending sections 3 and 4 (MCL 4.413 and 4.414), section 4 as amended by 2008 PA 289, and by adding section 8a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. (1) "Department" means the department of state.
- 2 (2) "Expenditure" means an advance, compensation for labor,
- 3 honorarium, conveyance, deposit, distribution, transfer of funds,

1 loan, payment, pledge, or subscription of money or anything of
 2 value including a contract, agreement, promise, or other
 3 obligation, whether or not legally enforceable, to make an
 4 expenditure. Expenditure does not include the payment of a
 5 membership fee otherwise reported ~~pursuant to~~ **under** section 8(1)(d)
 6 or the cost of travel to visit and return from visiting a public
 7 official for the purpose of communicating with the public official.

8 **(3) "Fair market value" means the value of an item or service**
 9 **on the open market that is available to any member of the public at**
 10 **the time the item or service is exchanged. The fair market value of**
 11 **an item or service must be determined in accordance with section**
 12 **8a.**

13 **(4)** ~~(3)~~ "Financial transaction" means a loan, purchase, sale,
 14 or other type of transfer or exchange of money, goods, other
 15 property, or services for value.

16 Sec. 4. (1) "Gift" means a payment, advance, forbearance, or
 17 the rendering or deposit of money, **items**, services, or anything of
 18 value, the **fair market** value of which exceeds \$25.00, as adjusted
 19 under section 19a, in any 1-month period, unless consideration of
 20 equal or greater value is received therefor. Gift includes a
 21 payment, advance, forbearance, or the rendering or deposit of
 22 money, services, or anything of value to aid the defense of an
 23 official in the legislative branch or an official in the executive
 24 branch against a legal action not directly related to the
 25 governmental duties of the official. Gift does not include the
 26 following:

27 (a) A campaign contribution otherwise reported as required by
 28 the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to
 29 169.282.

(b) A loan made in the normal course of business by an institution as **that term is** defined in ~~chapter 1~~**section 1202** of the banking code of 1999, 1999 PA 276, ~~MCL 487.11101 to 487.11203,~~ **MCL 487.11202**, a national bank, a branch bank, an insurance company issuing a loan or receiving a mortgage in the normal course of business, a premium finance company, a mortgage company, a small loan company, a state or federal credit union, a savings and loan association chartered by this state or the federal government, or a licensee as **that term is** defined ~~by~~**in section 2 of** the motor vehicle sales finance act, 1950 (Ex Sess) PA 27, ~~MCL 492.101 to 492.141.~~**MCL 492.102.**

(c) A gift received from a member of the person's immediate family, a relative of a spouse, a relative within the seventh degree of consanguinity as computed by the civil law method, or from the spouse of the relative.

(d) A breakfast, luncheon, dinner, or other refreshment consisting of food and beverage provided for immediate consumption.

(e) A contribution to a legal defense fund that is registered with the secretary of state under the legal defense fund act and whose purpose is to defend an elected official against any criminal, civil, or administrative action, that arises directly out of the conduct of the elected official's governmental duties.

(f) **A ticket or an offer of free or reduced-price attendance to a charity event that has the primary purpose of raising money for a nonprofit organization that is tax-exempt under section 501(c) (3) of the internal revenue code, 26 USC 501.**

(g) **Admission to a conference or educational event if the subject matter of the conference or educational event is directly related to the duties of the public official who is provided the**

1 admission.

2 (2) "Immediate family" means a child residing in an
3 individual's household, a spouse of an individual, or an individual
4 claimed by that individual or that individual's spouse as a
5 dependent for federal income tax purposes.

6 (3) "Loan" means a transfer of money, property, or anything of
7 ascertainable value in exchange for an obligation, conditional or
8 not, to repay in whole or in part.

9 **Sec. 8a. (1) The fair market value of an item or service must**
10 **be determined as follows:**

11 (a) The basis of market prices on the date that the exchange
12 for the item or service is made. Price fluctuations that occur
13 before or after the date of exchange do not affect the fair market
14 value determination.

15 (b) If the item or service is available on the primary market,
16 the primary market must be used to determine the fair market value
17 of the item or service.

18 (c) If the item or service is not available on the primary
19 market, the price available to the public on the secondary market
20 must be used to determine the fair market value of the item or
21 service.

22 (d) The price available to the general public for the same
23 item or service must be used as the fair market value.

24 (e) If the exact same item or service is not available on the
25 primary or secondary market for purchase by the general public, the
26 price of an item or service of similar type, quality, age, and
27 quantity, to the extent each factor is relevant, must be used to
28 determine the fair market value of the item or service.

29 (2) A lobbyist bears the burden of providing evidence of the

1 fair market value of an item or service.

2 (3) On the request of the public official or the secretary of
3 state, a lobbyist shall submit evidence that supports the fair
4 market value determination relevant to any financial transaction
5 required to be reported under section 8(1)(c), not more than 9 days
6 after receipt of the item or service involved in the financial
7 transaction.